

The
**Big
Health
Insurance
Report**



by **one big switch**



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The proposed introduction of Lifetime Community Rating won't help consumers return to the market.

Appendix A: Who joined the campaign

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“Joined because I fear that health insurance will become too expensive for me if cost continues to increase at current rate. Hope that large body of folk interested in securing reasonable cost and acceptable cover will result in affordable choices from insurance retailers. Feel that the Irish public is being ripped off by insurance providers.”

- Mary from Dublin

Keep up the excellent work in each of your campaigns. With less than 18 months to the General Election the time to bring maximum pressure is now.

- Mike from Kildare

“Well done The Big switch, negotiations with the health care Insurers may encourage them to provide more affordable health insurance cover for more people, which in turn should increase the membership and relieve the pressure on the public health services”

- Stephani from Dublin

“The campaigners who secured deals for over tens of thousands of people on their electricity bills are looking to do the same for health insurance.”

- Irish Examiner 8 October 2014

“Now research by the One Big Switch campaign has found that the plans for lifetime community rating are unlikely to deliver thousands of younger subscribers into the health insurance system.”

- Irish Independent 3 November 2014

Executive Summary

The story of Irish and their private health insurance is one of cover they can barely afford, but can't afford to do without.

We asked registrants for the Big Health Insurance Switch to tell us about their relationship with health insurance and the four themes that resonated loudest were despair at the creeping cost, the affect the mass market exodus has had on families, the vital sense of security it brings along with the despair of the upcoming government proposals for fixing the market.

The Cost

Private Health Insurance policy premiums have risen by 58% since the market's peak in 2008. The average health insurance premium paid per individual in 2013 was €1,150, when in 2008 it was just €729.

The cost explains why the standout reason for those who don't have health insurance is "Too expensive" (82%).

Affect of dropping coverage

More than 300,000 people have dropped their cover since the market's peak in 2008. After growing for many years, the number insured in the health insurance market in Ireland peaked at 2.3m (50.9% of the population) at the end of 2008. This has now fallen in the last 5 years with 2.05m people insured, at end 2013 (45% of the population).

The affect this has had on people's health as well as the system as a whole is massive. Nearly every campaign registrant who has health insurance claimed they've noticed the affect the market drop outs have had on them (99%).

Health Insurance is an absolute necessity

"Peace of mind" was far and away the main priority for both existing policyholders (55%) showing the vital role it plays in Irish families' sense of physical, financial and emotional security.

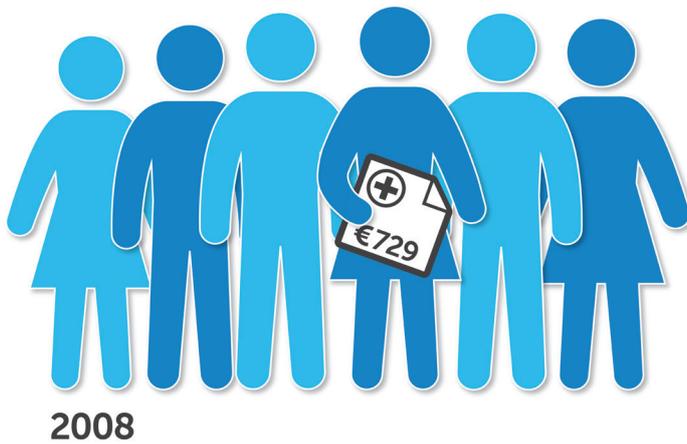
Current Health System, the Government and Insurers.

An explanation of the view for the absolute necessity of Private Health Insurance can come down to the fact that over half of our registrants found the level of care available to them in their area to be of an 'unsatisfactory' or 'terrible' standard.

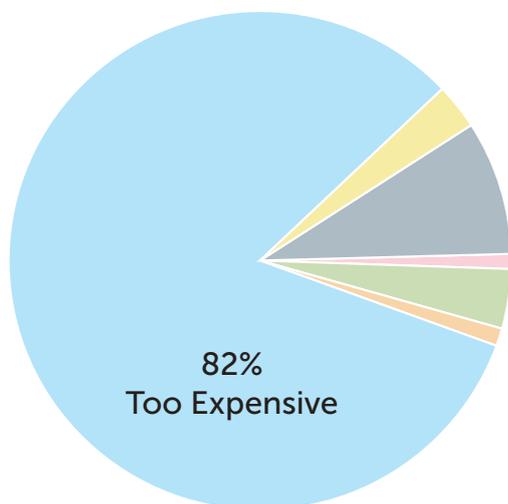
While the government are attempting to fix the Health Insurance market through the introduction of Lifetime Community Rating, our data show is won't work. Just 16% of those without Private Health insurance say the introduction of Lifetime Community Rating will make them take it up.

Part 1: The Cost

Since 2008 Health Insurance premiums have risen by 58% and 250,000 people have given up their cover



Source: Health Insurance Authority



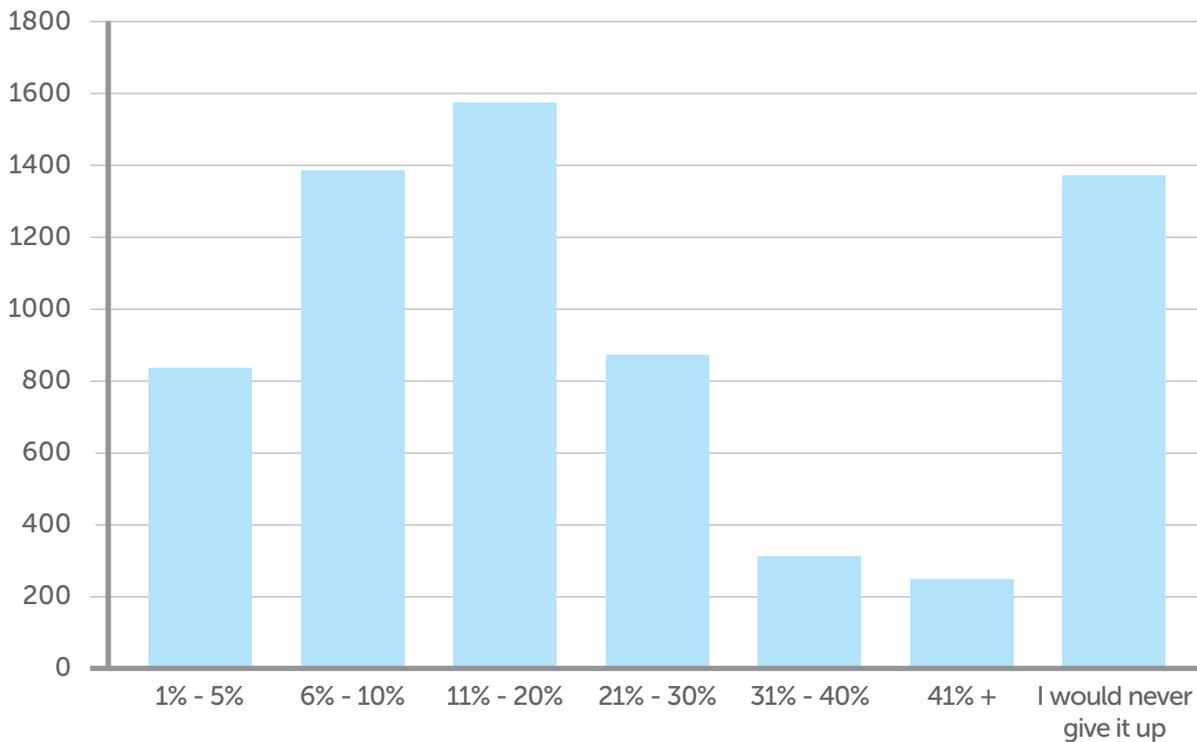
Reasons for not having Health Insurance

- 9% I haven't got around to it
- 3% I don't believe in Private Health Insurance
- 1% Not relevant
- 4% Other
- 1% Public system is good enough

Those without Health Insurance find it unachievable due to price. 82% of Big Health Insurance Switch campaign registrants who've never bought Health Insurance claim the reason for not having done so is because it is too expensive.

Part 1: The Cost

What annual price increase to your current premium would force you to give up your Private Health Insurance?

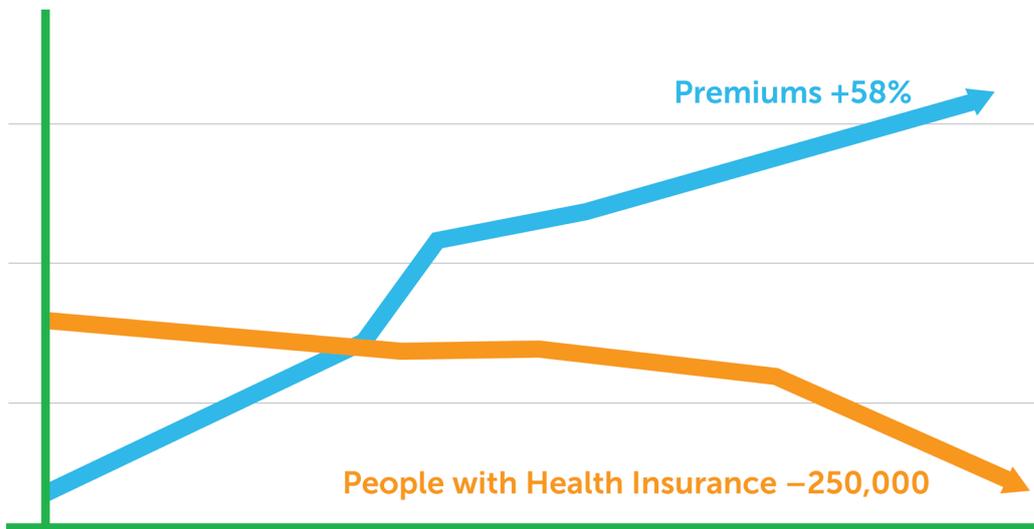


Switching behaviour

What's surprising is that even though people are clearly struggling with the cost of their health insurance, just under half of those who have health insurance have ever switched provider and just 1 in 4 of those with Private Health Insurance are receiving some form of special offer or discount. All corporate plans and discounts are available to anyone who asks which makes it harder to understand why people are not shopping around more.

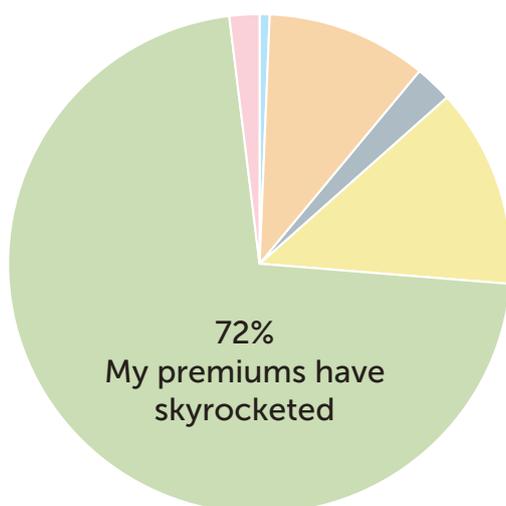
Part 2: Health Insurance Market exodus' affect on lives

Continuing price rises along with the exodus of 300,000+ policyholders since 2008 has had significant impacts on people's lives.



Source: Health Insurance Authority

- 99% of registrants with Health Insurance claim they have felt a negative impact as a result of people leaving the market
- Of this 99%, more than half claim their premiums have 'skyrocketed' as a consequence.



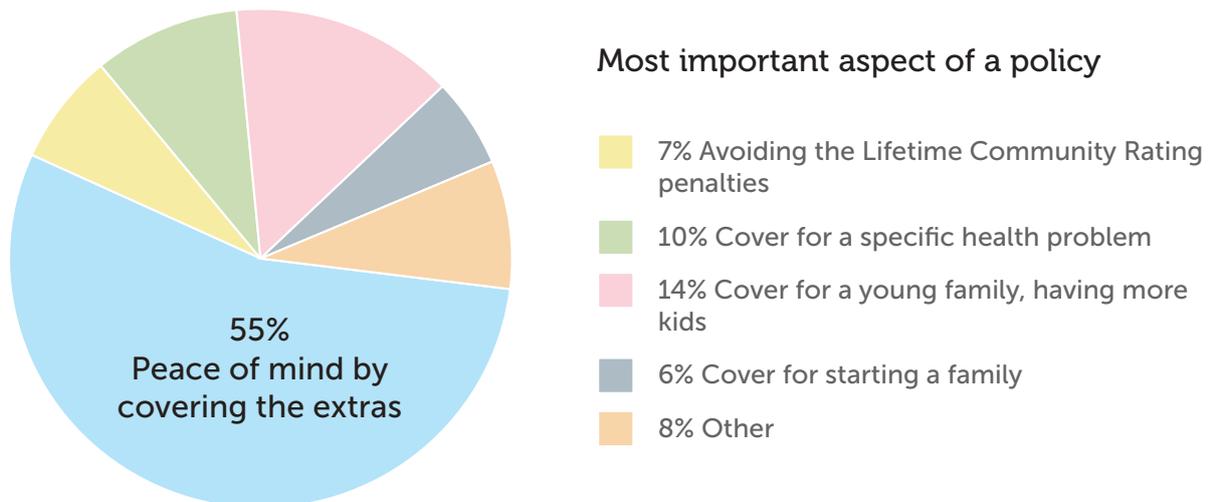
Negative impacts felt by market loss

- 2% Other
- 1% I am receiving worse customer service
- 10% My insurer has decreased my cover levels
- 2% My insurer has increased by excess
- 13% My premiums have risen slightly

- 1/3 of those who've given up their Health Insurance has experienced 'delayed temporarily or permanently a significant medical treatment or procedure' as a result of giving up their Private Health Insurance

Part 3: Private Health Insurance is a necessary spend

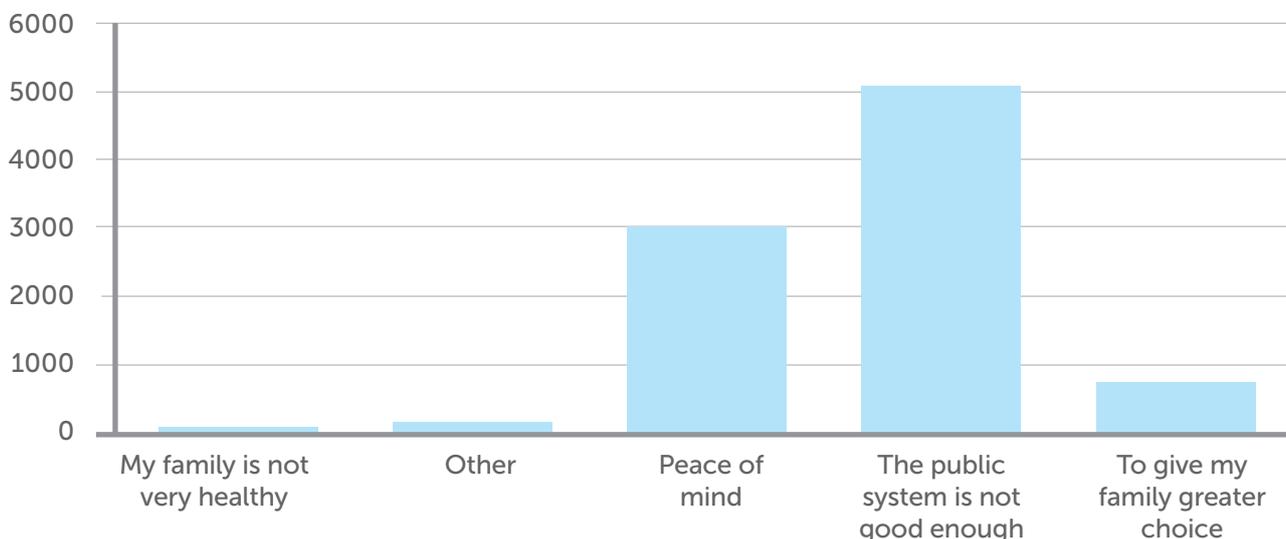
- Of those who have Health Insurance, 63% of them indicated they have avoided a large medical bill by having Private Health Insurance.
- The most important aspect of a policy to registrants is Peace of Mind



This peace of mind most likely comes from the fact 9/10 registrants consider Private Health Insurance to be a necessary spend. Nearly half of those people believe this because the public system isn't good enough. The state of the public health system is of major concern to many of our registrants.

- The primary reason people are taking up health insurance is because of a poor public system, half of registrants claimed this to be the reason.
- Just 10% are doing so because of the introduction of the Lifetime Community Rating

Reasons why people think Private Health Insurance is necessary

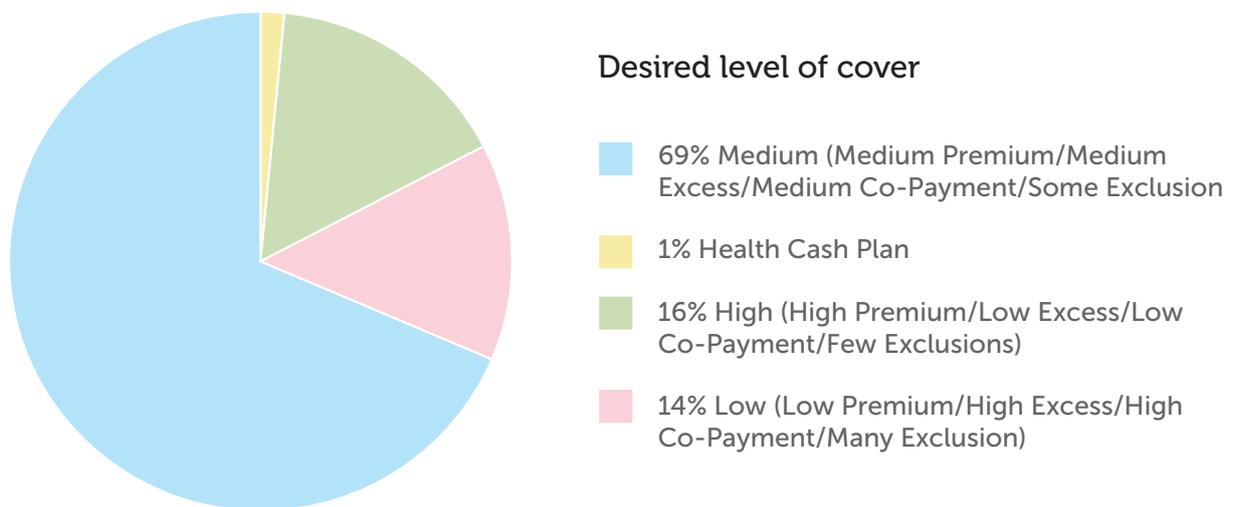


Part 4: Current Health System, the Government and Insurers

The level of cover people want doesn't change regardless of coverage level.

Most people aren't just looking for the bare minimum, whether they currently have private health insurance or not, people are looking for a medium level of cover for themselves and their families.

- 5/7 of those who've dropped cover are looking for a Medium* level of health insurance
- 2/3 of those who've never had PHI are looking for a Medium* level of cover
- 5/7 of those with health cover currently want a Medium* level of cover

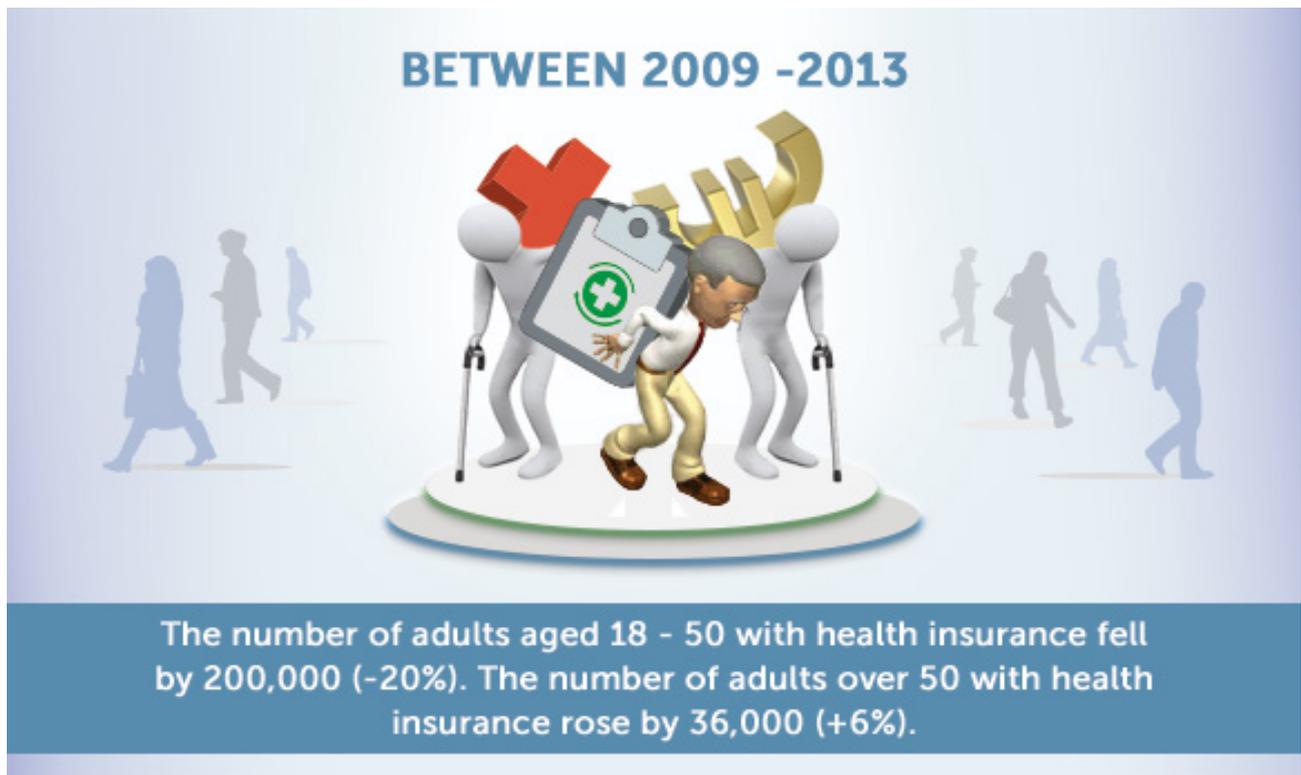


*Medium Premium/Medium Excess/Medium Co-Payment/Some Exclusion

- Over half of our registrants found the level of care available to them in their area to be of an 'unsatisfactory' or 'terrible' standard.
- And nearly 1/3 of registrants who've used public system found it to be of 'unsatisfactory' or 'terrible' standard

Part 4: Current Health System, the Government and Insurers

The problem with Lifetime Community Rating



There is a significant difference in the way younger and older people are involved in the private health insurance system. For a system that's based on community rating, this is a huge issue. Under the current proposal, from May 2015, anyone entering the Private Health Insurance market after the age of 34 will be penalized by a 2% loading to their premium for every year they've been out of the system.

The proposed introduction of Lifetime Community Rating won't work. Just 16% of those without Private Health insurance say the introduction of Lifetime Community Rating will make them take it up.

The age group targeted primarily by Lifetime Community Rating aren't interested in it.

- Just 18% of those aged 24 - 34 without Private Health Insurance said the Introduction of lifetime community rating would make them take it up.
- Just 9% of those with and without Private Health Insurance indicated they support it's introduction
- Just 12% said the government's introduction of Lifetime Community Rating would make them likely to vote for them at the next election.

Part 4: Current Health System, the Government and Insurers

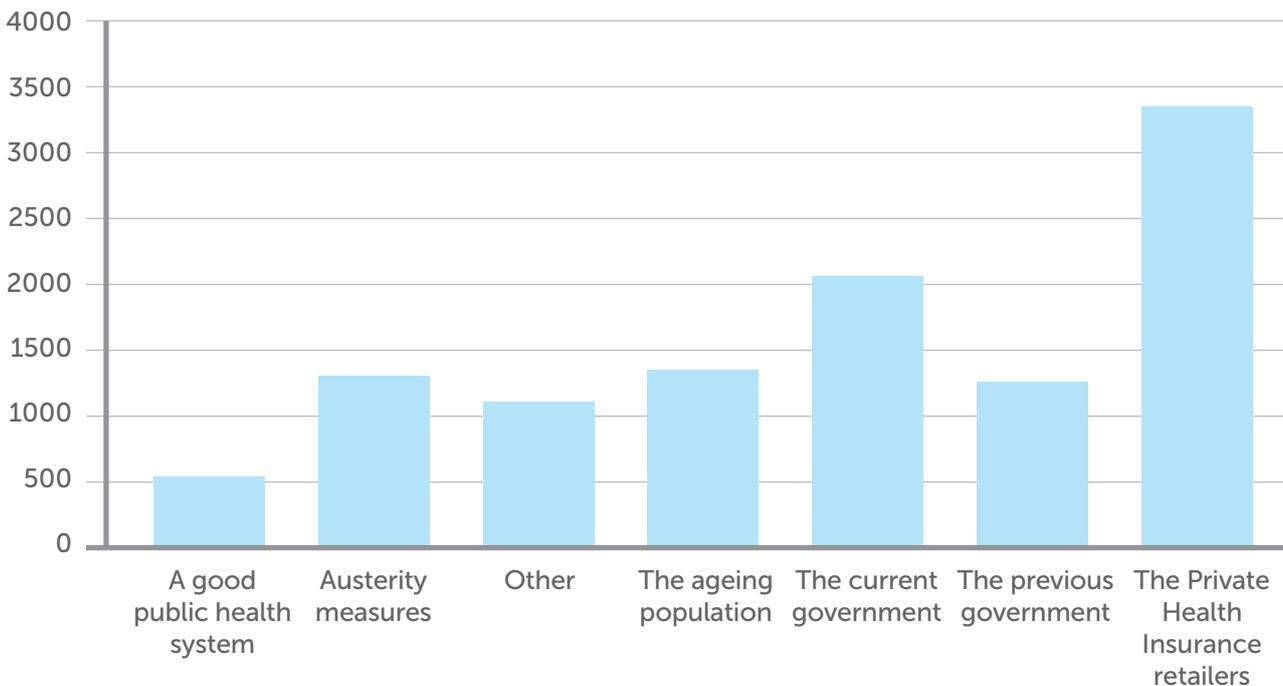
There's significant support for a better system of Lifetime Community Rating

39% of Big Health Insurance Switch registrants without health insurance believe the introduction of a system where they're forced to pay an extra levy at tax time, which costs more than the cheapest Private Health Insurance plan would make them take up Health Insurance.

Who's to blame for the cost of PHI?

- 1/3 blame the Private Health Insurers for the high cost of health insurance
- 2/5 blame the current government

Who do you think is responsible for the high cost of Private Health Insurance?



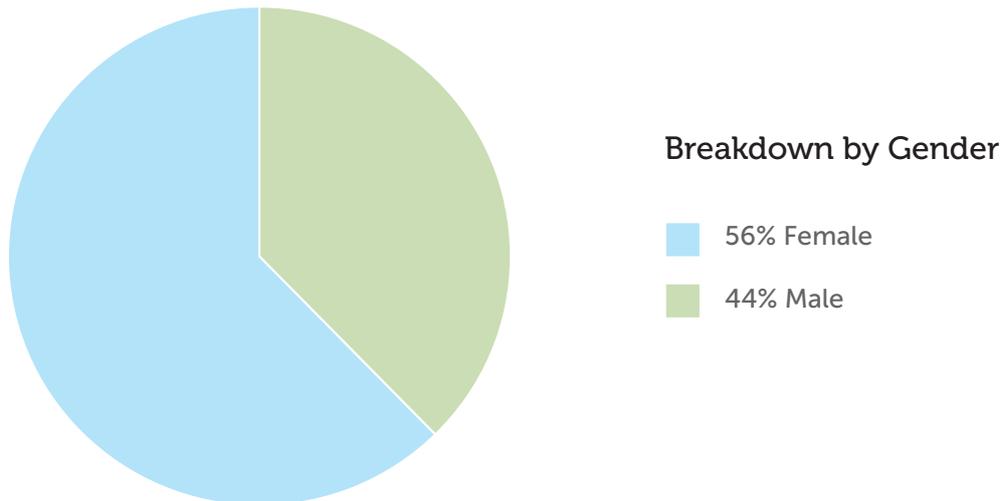
It's interesting to note that just 4% of registrants consider the market to be as competitive as it should be.

Appendix A: Who Joined The Campaign

At the time this report was prepared, **15,000+** people had registered for the Big Health Insurance Switch.

Of these, approximately **12,300** said they had health insurance and approximately **2,700** said they did not.

Just over half of registrants were **women**, who are statistically more likely to use health insurance.



Percentage of Campaign Members by county

Cork	12%	Leitrim	0%
Clare	3%	Laois	1%
Cavan	1%	Meath	4%
Carlow	1%	Monaghan	1%
Dublin	32%	Mayo	2%
Donegal	2%	Offaly	1%
Galway	5%	Roscommon	1%
Kildare	6%	Sligo	1%
Kilkenny	2%	Tipperary	3%
Kerry	3%	Waterford	2%
Longford	1%	Westmeath	2%
Louth	3%	Wicklow	3%
Limerick	4%	Wexford	3%

About This Report

This report on Irish consumers and health insurance is based on de-identified data provided by the first 15,000 registrants of the Big Health Insurance Switch.

The Big Health Insurance Switch is a campaign to unlock more affordable health insurance for all Irish consumers whether they have health insurance or not.

As part of the registration process, consumers answered a series of optional questions to assist One Big Switch in its attempt to negotiate a special offer.

In this report, we have tried to digest, analyse and present our members' data to them so that they can see as simply as possible how they compare to others on cost, level of coverage and knowledge of health insurance.

About One Big Switch

One Big Switch, which is behind the Big Health Insurance Switch, is a consumer network established to build real consumer power and help members save on their household bills.

One Big Switch Ireland launched in early 2014 with the Big Energy Switch, an Irish first campaign to cut the cost of energy bills using the power of group switching. 64,000 Irish consumers took part.

Thousands of our members have now saved on their electricity bills by switching to discounted offer. They have also taken in part in campaigns to help ensure the consumer voice is heard by policymakers and service providers such as the Big Water Charges Submission earlier in the year.

To register for the Big Health Insurance Switch or for more information, go to www.OneBigSwitch.ie